Valuation Advisory

Client: Special Broadcasting Services Corporation

Property: 14 Herbert Street, Artarmon NSW 2064

Desktop Valuation - Financial Reporting & Insurance Purposes

30 June 2022

Contents

Executive Summary

Valuation Details

Instructing Party	[redacted] Special Broadcasting Services Corporation
Purpose of Report	Desktop Valuation - Financial Reporting
Property Address	14 Herbert Street, Artarmon NSW 2064
Asset Type	Commercial
Significant Valuation Uncertainty	The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. Our valuation is therefore reported on the basis of 'significant valuation uncertainty'. The invasion of Ukraine and its subsequent cost of living impacts, inflation and interest rate rises.
Date of Valuation	30 June 2022

Valuation Overview

Basis of Valuation	Fair Value 'As Is' subject to existing leases
Interest Valued	Freehold
Brief Description	The building was originally built circa 1963 and utilised as a printing warehouse. SBS purchased the property in 1992 and undertook a full refurbishment to meet its current use as a radio and television media production studio facility. The main building has been constructed over two levels comprising lower ground floor and ground floor levels. The lower level extends below the car parking station. The car park is of concrete construction and comprises parking for 308 vehicles over five levels. The building had undergone a significant security upgrade internal and externally with significant changes to the operational areas of the building in 2016. The lower ground floor has seen closed areas opened with the demolition of several walls to create a flexible work area accommodating over 120 staff in around 1,000 square metres (8.3 square metres per person). The building also includes a childcare centre incorporating separate play areas, children's amenities, and office area. Due to the valuation being on a desktop basis, we have relied upon information gathered in the previous comprehensive inspection and valuation of the asset and also the most up to date information provided by the client.
Total Land Area	19,960 square metres
Zoning	IN1 – General Industrial – Willoughby Local Environmental Plan
Highest and Best Use	Current use.
Total Building Area	44,364 square metres
Registered Proprietor	Special Broadcasting Service Corporation
Method of Valuation – Land	Market approach – Direct Comparison
Method of Valuation – Buildings	Income Approach – Capitalisation of Net Income
Net Market Income	$5,062,028 per annum
Adopted Capitalisation Rate	5.50%
Fair Value – Land	$50,000,000
Fair Value - Buildings	$38,000,000
Fair Value - Total	$88,000,000

Report Preparation

JLL Public Sector Valuations Pty Ltd	
[redacted]	[redacted]
[redacted]	
Date of Issuance:	31 May 2022

The opinion of value expressed in this report is that of the Primary Valuer who undertook the valuation and who is the primary signatory on the report. That Valuer is Dejan Sevo.

Whilst not having inspected the subject property, Ty Noble, the counter signatory, acting in the capacity as a Supervising Member, has reviewed the draft Valuation Report and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), is satisfied there is a reasonable basis for the valuation process undertaken and the methodology adopted by the Primary Valuer.

This executive summary is an abstract of the contents of the following valuation report. The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

It is essential that before the addressee relies on this valuation, they read the report in its entirety, including any Annexures. Should the addressee be or become aware of any issue or issues that cast doubt on or are in conflict with the conditions, qualifications or assumptions contained within this report, they must notify JLL in writing so that any conflicts may be considered and if appropriate, an amended report issued.

Liability limited by a scheme approved under Professional Standards Legislation.

Assumptions, Disclaimers, Limitations & Qualifications Summary:

In addition to any other assumptions, conditions and limitations contained within this report, our valuation is based on the following:

Reader	We advise that this entire report must be read and understood by the nominated parties to whom reliance is extended in order that the various assumptions and comments are understood in the context of the adopted valuation. Should the parties to this report have any concerns or queries regarding the contents or key assumptions made in the preparation of this valuation, those issues should be promptly directed to the nominated Valuer for comment and review.
Market Movement	This valuation is current as at the date of valuation only being 30 June 2022. 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). We do not accept liability for the losses arising from such subsequent changes in value.
Information	We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. JLL accepts no liability for any inaccuracies contained in the information provided by SBS or other parties, or for conclusions which are drawn either wholly or partially from that information. Should inaccuracies be subsequently discovered, we reserve the right to amend our valuation assessment. We have relied on building areas, income figures and expense figures as provided by the instructing party or its agents and made specified adjustments where necessary.
Certificate of Title	We have not fully searched the notifications on title and our valuation assumes good and marketable title and that the Property is free of encumbrances, restrictions, mortgages, charges, and other financial liens or other impediments of an onerous nature, which would affect value. We have also assumed that there are no other easements, rights of way or notations other than those referred to in this valuation or on the Title Search(s) or Certificate of Title.
Site	We have relied on the land dimensions and areas as provided on the Registered/Survey Plan or Certificate of Title(s), as searched and annexed. In certain cases physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. JLL accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect. As the building improvements appear to lie within the title boundaries, it is unlikely that any encroachments would exist. A Licensed Surveyor would need to confirm that the building improvements lie on or within the title curtilage. This valuation is made on the assumption that there are no encroachments by or upon the Property. Our valuation assumes that there are no archaeological entitlements with the land holding. Our valuation also assumes that the Property is not affected by any road alteration or resumption proposals.
Native Title	We have not undertaken any formal native title searches, and our valuation is made on the assumption that there are no Native Title Claim issues relating to the centre. If any Native Title Claim issues are found to relate to the centre, we reserve the right to review our valuation.
Asbestos	Other than stated within this report, we have not undertaken any formal searches regarding the existence of asbestos in or on the Property. We are not experts in this area

	and therefore in the absence of an environmental consultant's report concerning the presence of any asbestos fibre in or on the Property, our valuation is made on the assumption that there are no health risks from asbestos. If any asbestos related health risk is found to exist on or within the Property, we reserve the right to review our valuation.
Non-Conforming Building Products and Fire Safety	We have assumed (unless stated otherwise herein) that the improvements are compliant with the Building Code of Australia (BCA) along with the relevant fire safety codes and regulations and do not pose a fire compliance risk, nor require immediate rectification. We have made no allowances in our valuation for rectification works. Our visual inspection is not a conclusive indicator of the actual presence of non-conforming building products and/or fire safety issues within the subject property. If subsequent to the writing of this valuation an independent expert's report reveals the existence of any non-conforming building products previously not disclosed to the valuer in writing, then this valuation should be referred back to the valuer for further review and possible amendment. In this paragraph, non-conforming building products means building products and materials that do not satisfy the quality requirements of technical standards (including the Building Code of Australia) or legislative requirements, and/or building products and materials that have been incorrectly or inappropriately used.
Environmental / Contamination	Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental and occupational health & safety legislation. If the Property's current status needs to be clarified, an Environmental Audit should be undertaken and should any subsequent investigation show that the site is contaminated, this valuation may require revision. Our valuation excludes the cost to rectify and make good the Property, which may have become contaminated as a result of past and present uses. Our valuation therefore assumes that there are no environmental issues with the land holding.
GST	In relation to our GST calculations, we are not taxation or legal experts, and we recommend competent and qualified advice be obtained. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of this valuation, we reserve the right to review and amend our valuation accordingly.
Occupancy/Lease Info	Where we have sighted Agreements to Lease and/or Disclosure Statements only or in instances where we have sighted draft documentation only, we have assumed that formal lease documentation is prepared and executed in accordance with the details provided in the document(s) sighted. Where we have been unable to sight relevant lease documentation, we have relied upon the information contained within the tenancy schedule and other financial information provided to us and assume that formal lease documentation has been prepared and executed in accordance with the details provided within the tenancy schedule/financial information.
Assignment	a. This clause applies upon any request that this valuation be assigned to a party other than the intended recipients named herein. Notwithstanding anything else, including any agreement by JLL subsequent to this report's date that it will assign this valuation: b. This valuation is deemed not to be assigned unless the request for the assignment, confirmation, reissue or other act occurred within 90 days of the date of this valuation. ▪ Any assignment is deemed to be in reliance upon, and is conditional upon, the assignee's acknowledgement that JLL: ▪ has not re-inspected the Property prior to the assignment occurring. ▪ has not undertaken further investigation or analysis as to any changes since the initial valuation; and ▪ accepts no responsibility for reliance upon the initial valuation other than as a valuation of the Property as at the date of the initial valuation.
Limited Liability Scheme	JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.
Reliance	Reliance on this valuation report is permitted only:

	a. by a party expressly identified by the report as being permitted to rely on it; b. when the given party has received the report directly from JLL; and c. for a purpose expressly identified by the report as being a permitted use of the report.
Economic Impacts	The continuing impact of the COVID-19 pandemic on supply and labour shortages, the invasion of Ukraine impacting the supply chain in addition to COVID-19 with subsequent large increases in inflation and the commencement of interest rate rises are all impacting the current market and causing uncertainty in the property market.

Introduction

Instructions

Jones Lang LaSalle (JLL) Valuation Advisory Pty Ltd, Public Sector Valuations has been engaged by the Special Broadcasting Services Corporation (SBS) to provide financial reporting and insurance valuations of the land and building assets on a desktop basis situated at 14 Herbert Street, Artarmon NSW 2064 owned by SBS as at 30 June 2022.

This valuation has been prepared in accordance with the Australian Accounting Standards; with specific reference to AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement,* International Valuation Standards (IVS 2017) as issued by the International Valuation Standards Council (IVSC) and endorsed by the Australian Property Institute (API).

We confirm that the prime signatory:

- Is independent of SBS.
- Is suitably registered and qualified to carry out valuations of such property and has at least five years' experience in the assessment of property of this size and nature; and
- Has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property.

Reliance on this valuation report is permitted only:

- By a party expressly identified by the report as being permitted to rely on it;
- When the given party has received the report directly from JLL; and
- For a purpose expressly identified by the report as being a permitted use of the report.

Our report is confidential to the SBS, for the specific purpose to which it refers. With the exception of SBS's external auditor, this report cannot be relied upon by third parties without the express approval of JLL. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear.

We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant. Furthermore, we have prepared our valuation in accordance with our standard Terms of Business.

Definition of Value

The valuation has been undertaken in accordance with Australian Accounting Standards Board (AASB) 13 to determine Fair Value. The fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use in the principal or most advantageous market.

Fair Value is defined at paragraph 9 of AASB 13 as follows:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

Purpose of Valuation Advice

Following initial recognition, Australian Accounting Standards and Interpretations require an entity to choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to each property, plant and equipment asset class on a consistent basis (AASB 116.29). An item of property, plant and equipment whose fair value can be measured reliably can be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses (AASB 116.31).

SBS is a hybrid-funded Australian public broadcasting radio, online and television network. SBS is required to prepare general purpose financial statements in accordance with the requirements of; applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and meet the reporting requirements.

SBS measures property, plant and equipment assets at fair value. AASB 13 Fair Value Measurement applies to all fair value measurements and sets out a framework for measuring fair value and requires disclosure about fair value measurements. The definition of fair value emphasises that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk (AASB 13.22). As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

Valuation and Inspection Dates

The property was not inspected due to the valuation being on a desktop basis only, with the valuation date as at 30 June 2022.

Information Sources

The information reviewed or previously provided includes, but is not limited to, the following:

- SBS current fixed asset register.
- Town planning and flood particulars have been obtained online via Government Department, Planning & Environment, information sources.
- Current Title Searches, Deposited Plans, Sales Data, and Contaminated Land Searches.
- Sales and leasing data from various industry sources, including sales and leasing real estate agents and RP Data / CoreLogic Ltd.
- GIS data and mapping.
- Construction cost unit rates as produced by Rawlinson's Australian Construction Handbook 2022.
- Aerial mapping via online government departments and Nearmaps.

- Previous information gathered by JLL personnel on-site.
- Research and forecasts from Jones Lang LaSalle Research; and
- Lease documentation, building areas, building plans, site plans, income and expenditure report, tenancy schedule and/or budgets supplied by the instructing party and/or its representatives.

Our valuation is based on a significant amount of information which is sourced from the instructing party or its representatives and other third parties, including but not limited to tenancy schedules, operating cost budgets, title, site, environmental and planning documents. We have relied upon the accuracy, sufficiency and consistency of the information supplied to us during the previous comprehensive valuation and current desktop valuation. Jones Lang LaSalle accepts no liability for any inaccuracies contained in the information disclosed by SBS or other parties, or for conclusions which are drawn either wholly or partially from that information. Should inaccuracies be subsequently discovered, we reserve the right to amend our desktop valuation assessment.

Date of Report Issue

In accordance with our instructions and for practical financial reporting purposes, this valuation report has been issued on 31 May 2022 with the date of valuation being 30 June 2022. If market changes become evident between the Report issue date and the end of the financial year date, we reserve the right to amend our valuation.

The outbreak of the Novel Coronavirus (COVID-19) was declared as a ‘Global Pandemic’ by the World Health Organisation on 11 March 2020. We have seen global financial markets impacted and travel restrictions and recommendations being implemented by many countries, including Australia.

The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused and also the invasion of Ukraine and subsequent increases in inflation and cost of living. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty.

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.

Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

For the avoidance of doubt, the inclusion of the ‘market uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

Assumptions

The following assumptions are important to this advice:

- We have assumed that the adopted total building area as at 30 June 2022 has not subsequently changed since the 2020 assessments by JLL. We have relied on these areas to undertake our valuation and assume they are correct for the purpose of our valuation. Should these areas prove to be incorrect we reserve the right to review our valuation.
- Information provided by the instructing party this current financial year and previous years is accurate and correct. Should this information prove to be incorrect we reserve the right to review our valuation.
- JLL were not permitted to inspect the Guardian Childcare & Education tenancy during the previous valuation program and as such have relied on information from the instructing party pertaining to particulars of the tenancy which we assume to be correct and factorial. Should this information prove to be incorrect we reserve the right to review our valuation.
- For the purpose of the desktop valuation, we have relied on the previous title searches to be accurate as of current and as informed to us by the client the leases remain unchanged apart from Kennards, which we have been provided with the newly agreed upon lease.
- We were not provided with the latest outgoings for the property and have relied on the actual outgoings provided to us in 2017, which have been adjusted based on our professional judgement.

Land Particulars

Location

SBS's head office is located on the north-western corner of Herbert Street and Frederick Street, Artarmon. The subject building is located approximately seven (7) kilometres north of Sydney's GPO by road. The immediate area is surrounded by the Artarmon industrial precinct and includes vehicle showrooms, storage facilities, modern industrial estates, TAFE NSW – St Leonards Campus, Northern Suburbs Mail Centre, and the Royal North Shore Hospital.

The following map identifies the general location of the Property:

Source: maps.six.nsw.gov.au

Title Particulars

Title Reference:	2/222317
Tenure:	Freehold
Description:	Lot 2 on Deposited Plan 222317, Local Government Area of Willoughby.
Registered Proprietor:	Special Broadcasting Service

Source: RP Data

Site Details

Description:	Regularly shaped, slight fall to the north-west boundary.
Site Area:	Approximately 19,960 square metres
Access:	Main access to the site is off Herbert Street with secondary access available from Frederick Street.
Exposure:	Excellent exposure to two (2) road frontages.
Services:	All major utility services including electricity, water, telecommunication, sewer, drainage and gas are connected to the site.
Topography:	The land that is the subject to this valuation appears from Frederick Street to have a slight fall to the north-west boundary with a slight fall to the northern boundary as appears from Herbert Street and comprises an excellent road frontage and exposure to passing traffic.

Source: maps.six.nsw.gov.au

Site Dimensions:	The site has the following approximate dimensions: • Eastern boundaries – 119.973 metres • Northern boundary – 154.413 metres • Western boundary – 121.688 metres • Southern boundary – 147.599 metres
Site Identification:	The site has been identified by reference to an RP Data search. We have physically identified the boundaries of the property and whilst there does not appear to be any encroachments, we are not qualified surveyors, and no warranty can be given without the provision of an identification survey.

Town Planning

Local Government Area:	Willoughby Willoughby Development Control Plan (WDCP) came into force on 21 August 2006. The WDCP applies to all land in Willoughby and all types of development. The WDCP is supplementary to Local Environmental Plans (LEPs) and State Environmental Planning Policies (SEPPs). If there is any inconsistency between the WDCP and WLEP 2012 will prevail to the extent of the inconsistency.
Local Area Plan:	Willoughby Local Environment Plan
Zoning:	IN1 – General Industrial
Floor Space Ratio:	1:1
Objectives:	▪ To provide a wide range of industrial and warehouse land uses. ▪ To encourage employment opportunities. ▪ To minimise any adverse effect of industry on other land uses. ▪ To support and protect industrial land for industrial uses. ▪ To identify and preserve industrial land to meet the current and future general industrial needs of Willoughby and the wider region. ▪ To accommodate industrial development that provides employment and a range of goods and services without adversely affecting the amenity, health or safety of residents in adjacent areas. ▪ To permit land uses that serve the daily convenience needs of workers employed in the industrial area. ▪ To protect the viability of business zones in Willoughby by enabling development for the purpose of offices if they are ancillary to, and used in conjunction with, industrial, manufacturing, warehousing or other permitted uses on the same land. ▪ To improve the environmental quality of Willoughby by ensuring that land uses conform to land, air and water quality pollution standards and environmental and hazard reduction guidelines. ▪ To accommodate uses that, because of demonstrated special building or site requirements or operational characteristics, cannot be, or are inappropriate to be, located in other zones.
Permitted with Consent:	Building identification signs; Business identification signs; Depots; Freight transport facilities; Garden centres; General Industries; Hardware and building supplies; Industrial training facilities; Light industries; Neighbourhood shops; Places of public worship; Pubs; Roads; Take away food and drink premises; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4.
Permitted without Consent:	Nil

Prohibited:	Agriculture; Air transport facilities; Airstrips; Amusement centres; Animal boarding or training establishments; Biosolids treatment facilities; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Car parks; Caravan parks; Cemeteries; Charter and tourism boating facilities; Commercial premises; Correctional centres; Crematoria; Eco-tourist facilities; Educational establishments; Entertainment facilities; Environmental facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Function centres; Health services facilities; Heavy industrial storage establishments; Heavy industries; Helipads; Highway service centres; Home occupations (sex services); Industrial retail outlets; Information and education facilities; Marinas; Mooring pens; Mortuaries; Open cut mining; Passenger transport facilities; Port facilities; Recreation facilities (major); Registered clubs; Research stations; Residential accommodation; Restricted premises; Rural industries; Sewage treatment plants; Signage; Tourist and visitor accommodation; Veterinary hospitals; Water recycling facilities; Water supply systems; Wharf or boating facilities; Wholesale supplies. The development is consistent with the general objectives for industrial areas set out in the Land Use Table for zone IN1 – General Industrial.
Conformance:	We have not obtained a formal Town Planning Certificate, however, for the purpose of this valuation we assume that all necessary town planning approvals and consents for the existing development have been obtained and complied with. We believe that the Property conforms to the forgoing town planning provisions.
Development Applications:	Our investigations at Willoughby City Council have revealed that there are no existing development approvals. The last DA (2010/677) was lodged 22/10/10 and approved in relation to site operational hours.

Environmental Issues

No inspection was conducted, we have relied upon the previous inspection conducted in 2020 which identified no evidence of land or building contamination. Importantly, however, we are not experts in the detection or quantification of environmental problems, and we have not sighted an Environmental Audit.

Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental, and occupational health & safety legislation. If the Property's current status needs to be clarified, an Environmental Audit should be undertaken and should any subsequent investigation show that the site is contaminated, this valuation may require revision. Our valuation excludes the cost to rectify and make good the Property, which may have become contaminated as a result of past and present uses.

Flooding Issues

It is assumed that the Property is not susceptible to flooding and is considered to have a low risk of flooding.

Please note, low risk does not mean no risk; all properties can flood in extreme weather conditions. We are of the opinion that flooding issues Choose an item. significantly impact the use of the Property. Should further information suggest otherwise, we reserve the right to review our valuation.

Services

All main services including electricity, gas, water, sewerage and telephone are available to the Property.

Native Title Claims

We have not undertaken any formal native title searches, and our valuation is made on the assumption that there are no Native Title Claim issues relating to the Property. If any Native Title Claim issues are found to relate to the Property, we reserve the right to review our valuation.

Heritage

We have not undertaken any formal heritage searches, and our valuation is made on the assumption that there are no heritage issues relating to the Property. If any heritage issues are found to relate to the Property, we reserve the right to review our valuation.

Description of Improvements

Improvements

This building was originally built circa 1963 and utilised as a printing warehouse. SBS purchased the property in 1992 and undertook a full refurbishment to meet its current use as a radio and television media production and studio facility. The main building is constructed over two levels comprising lower ground floor and ground floor levels. The lower level extends below the car parking station. The car park is of concrete construction and comprises parking for 308 vehicles over five levels.

Construction

Generally, the improvements have the following base construction:

Structure:	Reinforced concrete slabs and columns. Steel beam frame.
External Walls:	Steel frame with brick, masonry block, and metal clad walls.
Roof:	Metal deck clad.
Windows/Doors:	Aluminum framing and double-glazed windows.
Services:	All major utility services including electricity, water, telecommunication, sewer, drainage, and gas, are connected to the site. A single hydraulic elevator, security monitoring, ducted air conditioning, sprinklers, fire exits, hose reels, and hydrants service the building.
Internal Ceiling:	Comprise both exposed concrete ceilings and suspended panel ceiling with grid pattern with recessed fluorescent lighting and ducted air condition
Internal Walls:	Painted plasterboard.
Internal Floor Coverings:	Carpeted, tiled and painted/polished concrete

Accommodation

Since 2016 the building has undergone a significant security upgrade internally and externally with significant changes to the operational areas of the building. The lower ground has seen closed areas opened with the demolition of several walls to create a flexible work area accommodating over 120 staff in around 1,000 square metres (8.3 square metres per person).

The studios comprise steel stud walls with raised specially levelled floors, plasterboard, glazed and acoustic treatments; television studios have brick and concrete block cavity walls. The building also includes a childcare centre incorporating separate play areas, children's amenities, and office area.

s47E [redacted]

s47E

[redacted]

Building Services

We have been advised of the following building services:

Vertical Access:	The building is serviced by a single lift of 680 kg capacity and only services two (2) building levels.
Air-conditioning:	The air-conditioning system for the building comprises two (2) cooling towers, four (4) air handing and chiller units. Ducted air-conditioning is provided throughout the building.
Security:	Security provisions consist of automated building management and security systems that control access to the building, including defined departments within SBS and all entry points.
Backup Generator:	Standby power is provided by two (2) generators located within the plant room. The generator's power supply is distributed for essential services such as common area lighting, power, fire services and to a number of passenger lifts.
Fire and Hydraulic:	The building is fully fitted with an automatic fire sprinkler system, break-glass alarms, hose reels, hydrants, and smoke detectors as well as an emergency warning and intercommunication system. Additionally, fire extinguishers are strategically positioned throughout the building.

Lettable Areas

The Property's total Gross Lettable Area (GLA) is approximately **28,022 square metres.** A summary of this lettable area is detailed as follows:

S47E [redacted]

The lettable area has been assessed on a gross basis and have been obtained from SBS supplied plans together with check measurements undertaken at onsite inspections. The carpark has been analysed on a space basis.

We have relied on these areas to undertake our valuation and assume they are correct for the purpose of our valuation. Should these areas prove to be incorrect we reserve the right to review our valuation.

Non-Conforming Building Products/Fire Hazard

In November 2014, the Melbourne Dockland's Lacrosse apartment building fire in Victoria drew attention to the serious implications for fire safety and the use of non-compliant building material in particular Aluminium Composite Panels (ACP), made of Aluminium Composite Material (ACM) that contained a highly flammable polyethylene (PE) core. Three years later, on 14 June 2017, these issues were again brought into sharp focus by the London Grenfell Tower fire which had recently been cladded in this material.

A number of inquiries have been commissioned to investigate these events and it is likely that recommendations will be made as to the construction and management of similar properties. In light of this, we are aware that market participants that may also be affected by the same or similar issues and are reviewing details of construction, health and safety and particularly fire prevention, mitigation and means of escape. At this point it is too early to assess the longer-term consequences. In the short term, however it is likely that potential investors and occupiers will be more cautious – and the liquidity and pricing of the subject property may be impacted.

During our valuation of the subject property, a limited visual inspection was undertaken – that visual inspection did not disclose the overt existence of Non-Conforming Building Products (including Aluminium Composite Panels). However, noting that:

- We are not experts in identifying Non-Conforming Building Products.
- Non-Conforming Building Products are known to be prevalent in properties constructed or refurbished since the 1990's; and
- JLL did not inspect every part of the subject property.

We suggest that any party seeking to rely on this Valuation, satisfy itself as to the structural characteristics of the subject property.

For the purposes of this paragraph, *Non-Conforming Building Products* means building products and materials that do not satisfy the quality requirements of technical standards (including the Building Code of Australia) or legislative requirements, and/or building products and materials that have been incorrectly or inappropriately used.

Condition and Repair

Overall, the building improvements appear to be in good condition.

Our valuation has had regard to the apparent state of repair and condition of the Property; however, we were not instructed to carry out an on-site inspection nor structural survey or to test any of the services available to the Property. We are therefore unable to report that the Property is free from further defect, and we have assumed that no deleterious material was used in the construction. The desktop valuation has assumed that the current condition of the building is consistent with the comprehensive valuation completed as at 30 June 2020.

We have assumed the Property complies with all relevant statutory requirements in respect of matters such as health, building, and fire safety regulations and has been built in accordance with the provisions of the Australian Building Code prevailing at the time of construction.

Capital Expenditure

We have been advised of the following capital expenditure since 30 June 2021 by the SBS Manager Corporate Services representatives:

[redacted] s47E

Fit for purpose

Overall, the building improvements appear to be fit for purpose.

Asbestos

We have not undertaken any formal searches regarding the existence of asbestos in or on the Property. We are not experts in this area and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the Property, our valuation is made on the assumption that there are no health risks from asbestos. If any asbestos related health risk is found to exist on the Property, we reserve the right to review our valuation.

Property Income & Expenditure

We have not been provided with the latest lease documentations at the time of valuation, in exception to Kennards Self Storage. We have been advised no changes were made since the previous comprehensive valuation to the other leases, hence, we have relied upon information gathered previously for lease information. The client has provided the latest lease receivables which are current as at June 2022 and these are shown in the below table. The following incomes shown have been provided by the client:

[redacted]

Major Lease Summaries

We summarise below the lease agreements of the tenancies:

[redacted]

s47E

[redacted]

[redacted]

Building Vacancy

As at the date of valuation, the Property has vacant accommodation of Nil square metres, which reflects Nil of total Net Lettable Area.

Weighted Average Lease Term and Expiry Profile

The weighted average lease term remaining, as at the date of valuation, is:

[redacted]

Building Outgoings and Recoveries

Lease Structures

The leases within the Property are structured on a Net basis, with the tenants being responsible for a portion of the outgoings.

Building Outgoings

We have not been provided with an outgoings budget for the financial year ending 30 June 2022, a such we have estimated the outgoings for the building for the calculation of the income approach.

Goods and Services Tax (GST)

Existing Leases in the Property

We understand that GST is currently being recovered in all of the existing leases over and above the base rents and other monies.

Market Rents for the Property

Our assessments of office, retail and car parking market rents and other income are exclusive of GST.

Capital Value

Our opinion of value excludes any GST which a vendor may have to charge in addition to the sale price.

In relation to any potential GST liability, it is important to note that we are not taxation or legal experts and we recommend professional advice be obtained in relation to those areas. We are also of the view that any intending purchaser of the subject property should obtain their own legal advice on the GST position. Should this advice vary from relevant interpretation of the legislation and Australian Taxation Office rulings current as at the date of this valuation, we reserve the right to review and amend our valuation accordingly.

Furthermore, we have relied upon the GST information provided to us in assessing the property and should it be discovered that there are inconsistencies in this information, we reserve the right to amend our valuation.

AASB 13 Particulars

Background

The International Accounting Standards Board and US Financial Accounting Standards Board commenced a review of fair value in 2005 in light of inconsistences in the use of fair value measurement techniques worldwide. This project culminated in the release of International Financial Reporting Standard 13 Fair Value Measurement in May 2011, which was followed by the release of AASB Standard 13 of the same name in September 2011. AASB 13 applies to all financial reporting periods commencing after 1 January 2012.

The fair value definition is a market-based measurement and AASB 13 sets out a framework for applying the definition in a consistent manner. In order to determine a fair value measurement, an entity must have regard to the following interlinking components of the framework.

The Asset

AASB 13 states that a fair value measurement is specific to a particular asset (AASB13.11). Therefore, the measurement should incorporate the asset or liability's specific characteristics, such as condition, location, and restrictions, if any, on sale or use, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The characteristics of the property have been discussed at Section 3 Land Particulars and Section 4 Description of Improvements above.

Unit of Account

The unit of account for an asset is determined at the time the asset is recognised in accordance with the Standard that prescribes how to account for that asset. The unit of account drives the level of aggregation (or disaggregation) for the purposes of applying AASB 13, AASB 116 and other applicable AAS (e.g. the unit of account will determine whether information is presented in the financial statements for an individual asset or group of assets).

The unit of account for the property is determined at the asset level, in accordance with the accounting treatment prescribed in AASB 116.

Highest and Best Use

This valuation has been undertaken adopting the Property's Highest and Best Use, as defined by the IVSC and endorsed by the Australian Property Institute, which is:

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

Taking into consideration the Property's land size and built improvement, we believe that the Highest and Best Use for the Property, as at the date of valuation, is its current use.

Valuation Premise

The highest and best use of each asset may come from its use in combination with other assets and liabilities or on a stand-alone basis.

Market participants may maximise the value of an asset (or group of assets) by using the asset in combination with other assets or with other assets and liabilities. When considering the valuation premise, AASB 13 clarifies that the fair value of the asset should be measured from the perspective of market participants who are presumed to hold the complementary assets and liabilities.

As the land and building would transfer in one line in a hypothetical transaction, it is considered that the property provides maximum value to market participants on an in-combination basis (i.e. the land and building assets associated with the subject property).

Fair Value is defined at paragraph 9 of AASB 13 as follows:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Included within this valuation are lessor-owned items of building fixtures, fittings, plant and equipment. These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

Principal (or Most Advantageous) Market and Market Participant

The AASB 13 discusses the concepts of principal market and most advantageous market. In accordance with these concepts, a market transaction takes place either in:

- The principal market, the market with the greatest volume and level of activity for the asset or liability; or
- In the absence of a principal market, the most advantageous market. The most advantageous market is the market that maximises the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability, after taking into account transaction costs and transportation costs. However, although transaction costs are taken into account when determining which market is the most advantageous, the price used to measure the asset's fair value is not adjusted for those costs (although it is adjusted for transport cost).

A market must be accessible to the entity at the measurement date to be considered under AASB 13. The entity is not required to have the ability to sell the asset at that date but rather it should be able to access the market.

When measuring fair value, the entity must identify characteristics of market participants in the principal (or most advantageous) market. Market participants are buyers and sellers who are independent of each other, have knowledge or an understanding of the asset, have the ability to transact within the market and are willing to enter into a transaction without being compelled to do so. The underlying assumptions of a fair value measurement are determined by the position of market participants and so it is important for an entity to understand the forces driving their decisions to transact.

There are no identifiable principal markets for the subject property as such asset does not normally transact with enough frequency or transparency to draw meaningful comparisons. In such circumstances, the fair value measurement must assume a transaction takes place between hypothetical market participants from the perspective of a market participant that holds the asset (AASB 13.21). The following sections discuss current conditions of markets that will have an influence on the subject property.

Valuation Techniques

AASB 13 recognises three (3) valuation approaches to measuring fair value including the market comparison approach, the cost approach (or Depreciated Replacement Cost) and the income capitalisation approach. These approaches are consistent with generally accepted valuation methodologies utilised by the valuation profession. Not all three (3) approaches are applicable to all types of assets and the fair value hierarchy does not prioritise the valuation techniques to be used but rather the inputs used in the application of these techniques. An entity is required to adopt the valuation technique that is appropriate to the characteristics of the asset and adequacy of available market data.

The **cost approach** reflects the amount that would be required to replace the service capacity of an asset at the reporting date. That is, the cost a market participant would be prepared to pay to acquire or construct a substitute asset of comparable utility, whether by purchase or reproduction (modern equivalent asset).

Often the asset being valued will be less attractive than the alternative that could be purchased or reproduced because of age or obsolescence. As opposed to depreciation for financial reporting or taxation purposes, obsolescence incorporates physical deterioration, functional (or technical) obsolescence and economic (external) obsolescence specific to the asset. This approach is referred to as the Current Replacement Cost (“CRC”) under AASB 13. However, it is commonly referred to as the Depreciated Replacement Cost (“DRC”) approach in the valuation industry.

The **market approach** provides an indication of value by comparing the subject asset with similar assets for which price information is available. Under this approach the first step is to consider the prices for transactions of similar assets that have occurred recently in the market. If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed. It may be necessary to adjust the price information from other transactions to reflect any differences in the terms of the actual transaction as well as for differences in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

The **income approach** converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. This approach considers the income that an asset will generate over its useful life and indicates value through a capitalisation process. Capitalisation involves the conversion of income into a capital sum through the application of an appropriate discount rate. The income stream may be derived under a contract or contracts, or be non-contractual (e.g. the anticipated profit generated from either the use of or holding of the asset). When the income approach is utilised, the fair value measurement reflects current market expectations about those future amounts.

The land and building components have been assessed using differing valuation techniques with regard to the highest and best use and valuation premise. The application of each approach is discussed below.

Fair Value Hierarchy Inputs

To increase consistency and comparability in fair value measurements and related disclosures, AASB 13 establishes a fair value hierarchy that categorises into three (3) levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Fair value measurements developed utilising the market approach are generally classified at either level 2 or 3 in the fair value hierarchy depending on; the volume of market transactions; the level of judgement required to adjust for differences in characteristics between the subject item and transactional evidence; and the sensitivity of those adjustments to the fair value measurement. The table on the following page describes each fair value hierarchy level input and illustrates examples where they would apply.

Fair Value Hierarchy Input	Description	Examples
Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Shares that are actively traded on a stock exchange.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	An analysed price per square metre rate for a property derived from comparable market transactions.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.	A financial forecast (such as a cash flow) developed using the entity's own data if there is no reasonably available information that indicates that market participants would use different assumptions.

The characteristics of physical assets held by generally preclude the availability of observable input data for identical assets. They are often unique and not traded on a regular basis. Fair value measurements are determined from Level 2 or Level 3 inputs. The decision to classify a fair value measurement at a particular level will depend upon the individual facts and circumstances of the asset under consideration. For example, sale prices of similar asset in active markets would be considered Level 2 inputs. Where significant professional judgements are made to market evidence or where other significant assumptions are unobservable, the fair value measurement would be categorised as a Level 3 measurement.

Assets classified at a particular level input in the current financial reporting period may be reclassified into a different level in subsequent periods if there are changes to the market evidence. For example, an asset that is valued on the basis of recent comparable sales evidence would be classified at Level 2. If that market ceased to exist in subsequent periods and the fair value measurement involved more significant adjustments and professional judgement it may then be classified into a Level 3 measurement.

Valuation Rationale

Valuation Approach

As discussed within the body of this report, SBS purchased the subject building in 1992 and undertook significant alterations to accommodate its current operations. Although the subject property comprises a specialised fit out, the building in itself is not considered to be of a specialised nature and if offered to the market, the property would generate strong interest.

Having had regard to the current industrial and office market, it is considered that the highest and best use of the subject property is commensurate with its current use. This would suggest the subject's large floor plates as attractive to the current leasing market.

As part of determining the highest and best use of the subject property, we have had regard to the redevelopment potential of the subject property. Our investigations have revealed that the current improvements located on the subject property are over the maximum allowable FSR on the subject property of 1:1 and suggest to exercise existing use rights. Therefore, it is considered that the current improvements maximise the development potential of the subject property and considering they appear to be well maintained there would be no real benefit by redeveloping the property further adding value to the improvements.

The land and building assets for the subject property will maximise value through their use in combination by market participants. Based on the size of the property and its location, it is not considered likely that the property would be purchased by an owner-occupier but rather an investor who would seek to lease the property and derive a suitable return. Therefore, in determining the fair value of the property, the available market evidence has been analysed and applied to an income capitalisation approach on predominantly a vacant possession basis due to the property being majority owner occupied. This approach has, in turn been checked by the direct comparison approach (market approach), analysed on a rate per square metre of total net lettable area.

This valuation approach is unchanged since the previous valuation undertake by JLL as at 30 June 2020. The central premise of the income capitalisation approach is that the adopted capitalisation rate is derived from the yields indicated by sales of similar property investments. The yield derived from comparable sales evidence is purported to reflect any expectations of future growth in income and capital value. The capitalisation of net income approach has been undertaken by applying a yield and the potential net income. To the value derived, adjustments have been made for any relevant rental reversions, including letting up allowances for vacant space, incentives, and leasing fees.

Most Probable Purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be a commercial developer with future redevelopment plans for the site taking advantage of the holding income derived by the current improvements.

Property Market Commentary

Global Economy

The robust Global recovery in 2021 – driven by strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels — marked the highest growth rate in more than four decades. Yet the momentum for growth – especially in China, the United States, and the European Union – slowed considerably by the end of 2021, as the effects of monetary and fiscal stimuli began to recede and major supply-chain disruptions emerged. Rising inflationary pressures in many economies are posing additional risks to recovery.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. The Global growth is expected to slow to 3.8 percent in 2023.

Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers.

In addition to all the COVID-19 interruptions throughout the world and supply chain issues, the Global economy has been impacted greatly by Russia invading its neighbouring country Ukraine. In addition to the human suffering, the war is boosting prices for food and energy, fuelling inflation, and eroding the value of incomes, while disrupting trade, supply chains and remittances in countries neighbouring Ukraine. It is also eroding business confidence and triggering uncertainty among investors that will depress asset prices, tighten financial conditions, and could trigger capital outflows from emerging markets. IMF officials has already said they expect to lower the Fund's previous forecast for 4.4% global economic growth in 2022. It is forecast that Europe will bare the greatest impact due to the invasion as Europe gets nearly 40 percent of its natural gas and 25 percent of its oil from Russia, and is likely to be followed with spikes in heating and gas bills, which are already soaring. Europe, with its geographical proximity to the conflict and heavy dependence on Russian energy, is potentially facing its third recession in two years. The U.S. economy is likely to fare better given its role as the world’s top oil producer and still-sizable household savings, but even in the U.S., surging inflation is likely to weigh on consumer spending and growth. The full effect of the Russian invasion is yet to be seen, depending on the duration and severity of the invasion.

Local Economy

Australia’s GDP rebounded by 3.4% in 4Q21, which follows a 1.9% decline last quarter amid extensive lockdowns across the country. Despite a lot of see-sawing from quarter to quarter, the economic recovery has been strong overall and annual GDP growth was a strong 4.2% over 2021.

As of March 4th, Australia’s cash rate remained at an all-time low of 0.10%, the economic growth within Australia resulted in a 4.2% increase and inflation is on the upward trend at 3.5%. The unemployment rate within the country is at a record low of 4.2% with employment growth in the first quarter of 2022 at 2.8%, with wages growing at a rate of 2.3%.

Australia has a population of 25.7 million people quoted on the 4th of March 2022, this is a mere 0.2% annual increase, due to the extensive border closures caused by COVID-19 pandemic. At the same reporting period, the average price of a residential dwelling within Australia is $864,000 with the household debt ratio at 185% based on the share of income.

Momentum in the Australian economy continues to swing backward and forward, and Omicron will likely see another slowing in 1Q22. This will be further added to by recent severe weather conditions and a slowing housing market, particularly in Sydney. As such, slightly slower momentum could continue into 2Q22.

Nevertheless, countering this headwind, the opening of borders is already seeing migration and tourism resume, as well as foreign students return. This should increase as a tailwind over the second half of 2022, while a tight labour market and imported inflation pressures should translate into wages growth and boost overall economic growth. Flood rebuilding will also turn into a boost to growth.

The rebound in residential markets over 2021 has been much stronger than expected. However, the recovery is clearly starting to lose some momentum as listings rise in the existing market, the impact of fiscal stimulus measures wane and lending conditions tighten slightly.

The slowing in house price growth is likely to continue, but the market is unlikely to collapse, being supported by low interest rates, a strong labour market and a boost to underlying demand as borders open. Investor demand also continues to rise, replacing some of the slowing in owner occupier (particularly first homebuyer) demand as fiscal incentives fade.

The return of migrants and students is particularly likely to tighten rental market conditions further and see rental growth accelerate. This is likely to be significantly exacerbated in some areas by the current flooding situation in much of QLD and NSW.

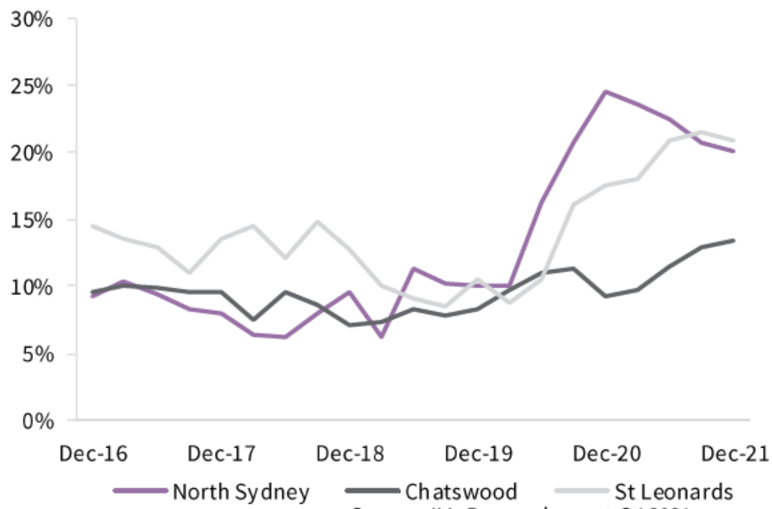
The other impact of floods could be to put even further strain on currently stretched construction resources and further fuel already rapidly rising construction costs. Rising construction costs are already pushing up prices of new dwellings, and this is only likely to worsen in the short-term.

Office Market

Demand

JLL recorded negative net absorption of 2,200 sqm across the North Shore office markets in 4Q21. This was driven by reduced demand for prime grade stock across the three tracked markets. The North Shore headline vacancy rate increased 0.1 pps to 17.8%. At an individual market level, net absorption in North Sydney, St Leonards and Chatswood in 4Q21 was 400 sqm, -3,700 sqm and 1,200 sqm, respectively.

Prime Vacancy



Source: JLL Research as at Q4 2021

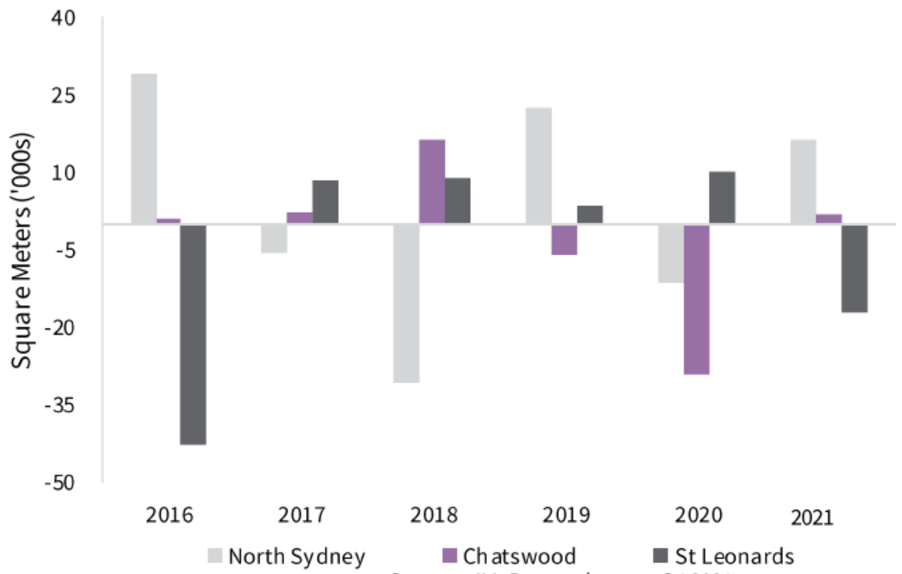
North Sydney's net absorption totalled 400 sqm, driven by demand for prime grade buildings. Accordingly, the headline vacancy rate for North Sydney marginally declined by 0.2 pps to 17.3% in 4Q21. The prime vacancy rate decreased 0.6 pps to 20.1% while the secondary vacancy rate increased 0.3 pps to 14.2%.

Recently completed prime grade buildings continue to drive major leasing activity with Aurecon leasing 4,500 sqm at 73 Miller Street, relocating from Neutral Bay. Get Capital leased 1,400 sqm at 177 Pacific Highway, vacating 600 sqm at 110 Walker Street. However, some organisations did contract and consolidate over this quarter, including Jacobs handing back 2,500 sqm at 177 Pacific Highway. Regus also earmarked their pending vacation (1,100 sqm) at 40 Mount Street.

St Leonards recorded -3,700 sqm of net absorption over 4Q21, driven by relocation activity out of the market. IBM vacated 4,500 sqm at 601 Pacific Highway as part of a consolidation into IBM occupied space in 259 George Street, Sydney CBD. Other major moves included Verizon offering 1,100 sqm of sublease space at 203 Pacific Highway. The St Leonards headline vacancy rate increased by 1.1 pps to 21.1%.

Chatswood recorded 1,200 sqm of net absorption over 4Q21, driven by an increase in demand for secondary stock and continued positive demand for prime space. Among the larger moves was Sentral leasing 1,150 sqm at Citadel Towers A, 799 Pacific Highway, vacating 900 sqm at 67 Albert Avenue. Accordingly, the Chatswood headline vacancy rate decreased 0.4 pps to 15.2% this quarter.

Net Absorption



Source: JLL Research as at Q4 2021

Rents

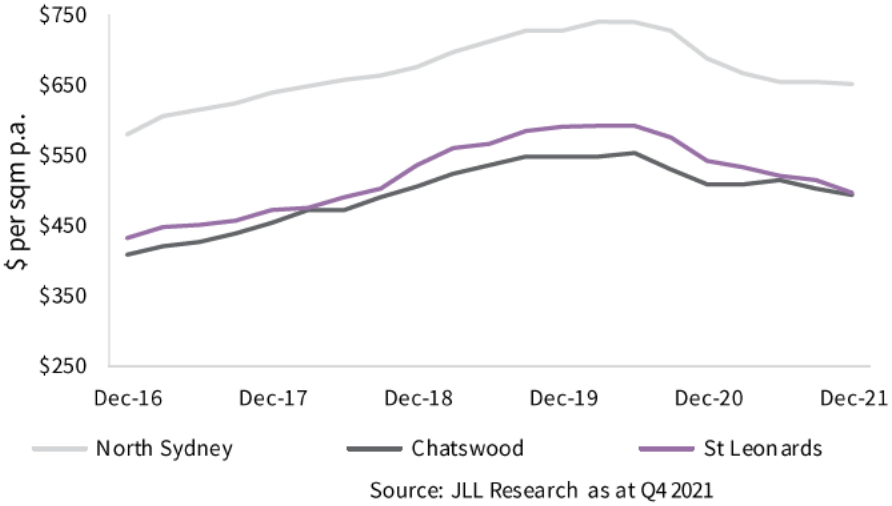
North Shore average prime gross effective rents decreased by 1.4% over 4Q21, reflecting an annual decline of -5.6%. The elevated levels of vacancy and a large amount of empty contagious space options in the market has meant incentives have continued to trend upwards over 2021 despite the increase in face rents.

Prime gross effective rents in North Sydney fell 0.7% over the quarter, which reflected a 5.4% annual decline. This was driven by incentives rising faster than face rents. Rental levels are at a 26% discount to the Sydney CBD on a prime gross effective basis.

Prime gross effective rents in St Leonards decreased by 3.4% this quarter, reflecting an 8.3% annual decline. Face rents remained stable over the quarter; however, this was offset by an upward trend in incentives.

Chatswood prime gross effective rents decreased by 1.8% this quarter, reflecting a decrease of 3.0% annually. Face rents recorded marginal growth over the quarter, while incentives moved towards 34%.

Prime Gross Effective Rents



Sales & Yields

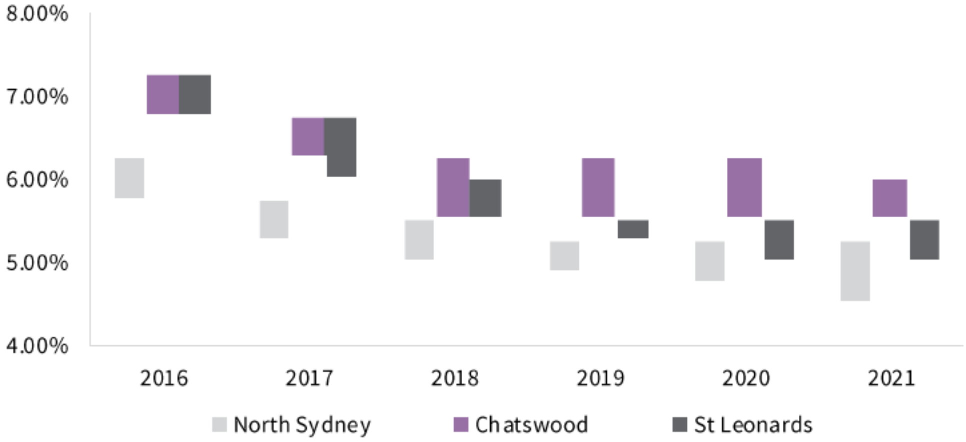
The North Shore investment markets were active over the quarter with five major transactions recorded in North Sydney totalling $955.6 million. The largest sale was a 50% interest in 101 Miller Street & Greenwood Plaza for $422 million sold by Nuveen to CapitaLand Integrated Commercial Trust, with the office component of the property valued at $330 million. Thirdi sold Blue & William to Lendlease and Keppel REIT for $150 million, with a forward funding/on completion price of $327.7 million. 201-211 Miller Street was sold by Dexus Office Partnership for $152.4 million to LaSalle Investment Management. 41 McLaren Street was purchased by Stadia Capital from an undisclosed vendor for $80 million while 75 Miller Street was sold by an undisclosed vendor to Miller Project No. 1 for $65.5 million.

This quarter's sales brought the total 2021 investment volumes to $1.04 billion. This is lower than 2020 sales volumes of $1.26 billion.

North Sydney prime yields remained stable at 4.50%-5.25% in 4Q21. The prime yield range was unchanged in St Leonards (5.00%-5.50%) and Chatswood (5.50%-6.00%).

The secondary yield range also remained stable over the quarter in all markets, with North Sydney remaining at 5.25%-5.50%, St Leonards at 5.25%-5.75% and Chatswood at 5.63%-5.88%.

Prime Yield Range



Source: JLL Research as at Q4 2021

Industrial Market

North

Demand

Major occupier activity remains subdued in the North, as a major lease (≥ 5,000 sqm) has not been recorded in the precinct since 2Q15. The lack of activity is indicative of the tightly held market, dominated by specialised businesses which occupy the majority of stock in the area. There are also limited options for industrial tenants seeking space over 5,000 sqm.

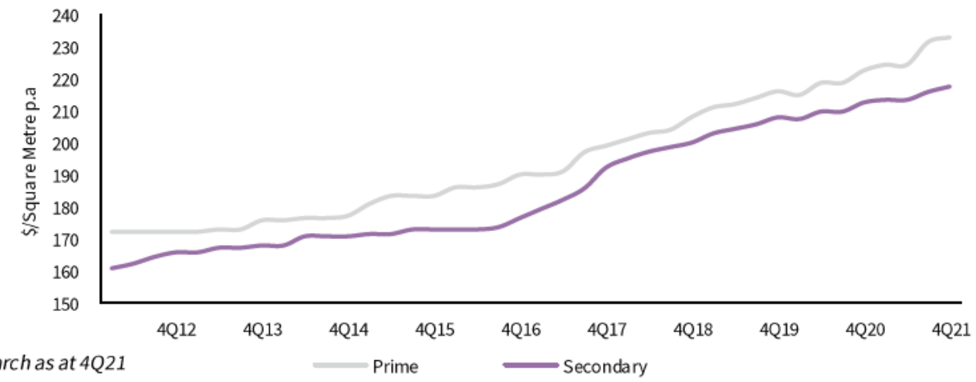
Supply

A major completion has not been completed in the North since 2Q15. With limited available development sites, the precinct's industrial supply will remain restricted for the short to medium term.

Asset Performance

Prime rents experienced subdued growth in 4Q21, expanding by 0.6% to AUD 233 psm, taking the y-o-y figure to 4.7%. Secondary rents experienced growth on par with the quarterly average of 0.8% in 4Q21, taking the y-o-y growth figure to 2.4%, falling below the long-term average (3.1%).

Rental Growth: North Precinct



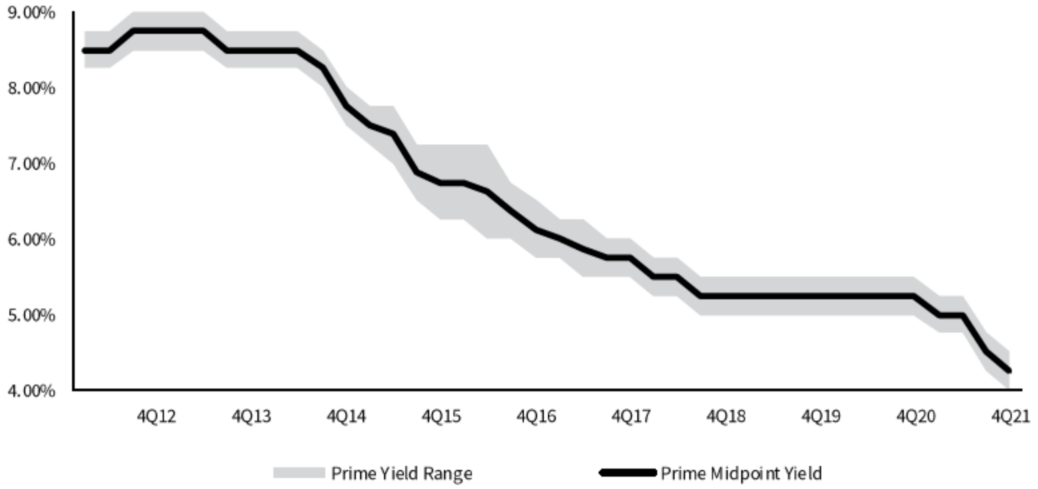
Source: JLL Research as at 4Q21

Prime and secondary yields compressed by 25 bps in 4Q21, bringing the prime midpoint average to 4.25%, while the secondary midpoint average compressed to 4.88%. Prior to the compression recorded this year in 3Q21 and 1Q21, prime yields had remained stable since 3Q18.

Incentives

Prime incentives have remained stable at a range of 8%-12%, having come in from 10%-15% in 3Q21. Secondary incentives also remained stable throughout 4Q21 at a range of 8% to 12%.

Yield Range (Prime): North Precinct



Source: JLL Research as at 4Q21

Sydney Market Investment Activity

Industrial transaction volumes increased sharply from last quarter, totalling AUD1.32 billion, 161% above the 10-year quarterly average (AUD 504.5 million). This quarter's transaction volumes mark the second consecutive quarter in which the Sydney market reached a new benchmark for sales activity.

Several large land deals transacted in 4Q21, which resulted in land sales accounting for AUD140 million of the total investment volume. This is 60.5% above the long-term quarterly average for land sales (AUD 84.05 million). This is largely due to the Qantas Portfolio deal, which has been earmarked for substantial multi-story development. LOGOS Group, backed by the ADIA and Australian Super, have acquired four properties from Qantas in the South Sydney precinct for a total of AUD 802 million. The portfolio comprises one investment asset, which was acquired on a 10-year sale & leaseback and three parcels which will be redeveloped.

Assets sold as development sites accounted for 61% of total transaction volumes (AUD 797.3 million), while 34% (AUD 452.3 million) was stabilised for investment product. The Outer Central West accounted for 57% of total investment volume for the Sydney market (AUD 674.6 million), followed by South Sydney (16%), and the Inner West (14%) precincts.

The largest investment sale recorded in 4Q21 was Charter Hall Group's AUD 75.3 million acquisition of a 21,795 sqm facility in Minto. The tenant, Toyo Tyres, has sold the asset on a 12-month sale-and-leaseback basis, with Charter Hall proposing a 41,000 sqm business park in the medium-term.

Outlook

The short-to-medium term demand outlook remains largely positive for the Sydney industrial market. We also expect the existing structural tailwinds to continue to drive occupier expansion in many of the strong performing industries throughout the pandemic.

In the short-term, we expect demand to continue to outstrip new supply in line with a general lack of new speculative development in Sydney. This may place some pressure on occupier activity for existing space, which is becoming increasingly hard to source, and push occupiers to consider pre-lease opportunities or alternative markets.

The short-term supply pipeline is expected to accelerate substantially in the first half of 2022, with 504,080 sqm of completions due to be delivered in 1Q22, and an additional 47,910sqm in 2Q22. A low level of speculative development will still be evident in these projects, as 70% of the floor space is already pre-committed. Assuming all projects that are being tracked reach completion as currently expected, 2022 would represent a record high year of new stock completions in the Sydney market, while 1Q22 would see the highest new stock delivery in a quarter on record, beating the previous high by 111%.

Diminishing land supply and competing uses of assets will continue to drive prime rental growth across the Sydney industrial market. The industrial asset class continues to be a highly sought-after sector for real estate investors, with significant occupier demand and stability of income providing a strong value proposition. The presence of well-capitalized groups with mandates to continue to increase their exposure to the sector will continue to support competition for assets that do come to market which, in turn, will support pricing.

Childcare Market

The outlook for the childcare sector is positive post the COVID-19 downturn. Revenue for the sector is expected to increase at an annualised 2.1% over the five years through 2021-2022, to $13.7 billion. This trend includes anticipated growth of 2.8% in the current year, higher government expenditure on the childcare sector, increased fees and rising enrolment numbers initially drove industry growth over the period. These variables were later weighed down by surplus capacity and falling occupancy rates in several key geographic markets, as individual property developers rapidly constructed new additional childcare centres. With the ongoing COVID-19 pandemic presenting additional challenges for industry operators. The childcare sector in Australia is worth $14bn and includes over 13,500 currently operating centres across the country, with the sector employing over 193,000 workers nationally.

Application to the Land Asset Class

The land asset has been measured using the market approach.

In order to assist in determining appropriate value parameters for the Subject Property, we have investigated sales evidence of generally similar properties considered comparable in terms of location and other criteria.

Due to the large proportions of this land, there was insufficient market evidence of directly comparable sales. Reference has been made to the following sales of land with varying levels of comparability and adjusted by the Valuer using professional judgement to take account of the differing characteristics.

Address	Sale Price ($)	Sale Date	Land Area m²	Price Per $/m²
7-11 Lachlan Avenue & 157-159 Herring Road, Macquarie Park, NSW, 2113	86,000,000	Q12022	5,072	16,956
In Comparison to Subject: Superior ▪ Improved development site, Zoned B4 – Mixed-Use ▪ FSR 4:1 – potential GFA of 20,288sqm ▪ Height limited to 45 metres ▪ Elevated corner lot with 3 street frontages, close proximity to Macquarie Centre, University and railway station. Superior location and development potential. Smaller land size, superior on a rate per square metre basis.				
3 Broadcast Way, Artarmon, NSW, 2066	29,000,000	Q12020	3,840	7,552
In Comparison to Subject: Inferior ▪ Vacant land, Zoned IN1 – Light Industrial ▪ Lower North Shore location linking seamlessly to the Sydney CBD ▪ DA approved 13,998 sqm GBA facility ▪ Completely designed and engineered data centre ▪ Secure essential services with market leading power and fibre infrastructure ▪ Adjoining ASX, NextDC and Fox Sports Comparable location and zoning, inferior land size and potential. Considered inferior.				
70-74 Berry Street, North Sydney, NSW, 2060	27,500,000	Q32021	953	28,856
In Comparison to Subject: Inferior ▪ Improved site, Zoned B3 – Commercial Core ▪ Potential GLA of 5,614 sqm in isolation ▪ Height limited to 110 metres ▪ Located in a prime location, surrounded by commercial buildings, eateries and transport links. Superior location, zoning and potential, inferior land size. Considered inferior overall, however superior on a rate per square metre basis due to the smaller land area.				

The land has been measured based on transactions on market evidence taking into account the development potential of the site. The Valuer has made significant judgement in determining the fair value for land based on limited evidence and has taken into consideration a dated sale within the subject area and two sales of development sites in the surrounding areas.

The disclosed sales evidence suggests shows a value range of $7,552/sqm to $28,856/sqm for development site properties within the surrounding locality.

It is noted that 7-11 Lachlan Avenue & 157-159 Herring Road, Macquarie Park, NSW, 2113 was sold as an improved development site with four standalone low-rise aged residential buildings located on-site. The sale included 100% ownership of all buildings on-site, allowing for endless development potential in a prime location surrounded by class leading entertainment facilities, shopping precincts and educational faculties.

Both 3 Broadcast Way and 70-74 Berry Street's comprise much smaller land sizes than the subject property, however, are comparable on the basis of location and development potential. We have analysed these sales on a rate per square metre basis to determine the subject land value.

Based on our analysis of the sale and current market conditions, we suggest a lower value in the order of $2,500 per square metre for the subject land site area equating to a rounded value of **$50,000,000*(rounded)*** in accordance with the large proportions, current improvements and zoning.

The adopted valuation technique for the land component has been utilised to approximate the amount that represents the fair value of the land for allocation purposes.

The sales information quoted has been obtained from a number of sources including published sales information provided by RP Data / Core Logic Ltd. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. Where the information has been available to us, we have made appropriate adjustments for GST but the recorded sale prices may include all, a part of, or no GST depending on the circumstances and tax liability of the parties to each transaction.

Application to the Buildings Asset Class

The building asset(s) has measured utilising the capitalisation of net income approach which has then been cross checked using the direct comparison approach where the value is analysed on a rate per square metre of Net Lettable Area (NLA). The application of the valuation approaches to the subject property is discussed as follows.

Our valuation has been undertaken utilising the Jones Lang LaSalle proprietary valuation model.

Leasing Evidence

In assessing a market rental profile for the commercial accommodation, we have had regard to the leases within the property, together with recent rental evidence in the relevant office, industrial and retail markets. Due to proportions of the accommodation and limited recent comparable transaction, we have had particular regard to the evidence detailed below:

Address	Lease Date	Rent	NLA sqm	Lease End	Term	Lessee
1 Epping Road, North Ryde NSW 2113	Jan-2022	$365/sqm Net	2,706	Jan - 2027	5 years	Petbarn
1 Denison Street, North Sydney NSW 2060	Dec-2021	$1,100/sqm Net	3,000	Dec-2031	10 years	Luxotica
475 Victoria Street, Chatswood NSW 2067	May-2021	$560/sqm Net	1,848	May-2026	5 years	Confluence Water
22 Giffnock Avenue, Macquarie Park NSW 2113	Jun-2020	$440/sqm Net	2,900	Jun-2025	5 years	PNSW Education

8 Khartoum Road, Macquarie Park NSW 2113	Apr-2017	$395/sqm Net	10,800	Apr-2027	10 years	Fuji Xerox
72 Christie Street, St Leonards NSW 2065	May-2018	$595/ sqm Net	11,259	Apr-2023	8-10 years	MasterCard
34-38 Cosgrove Road, Enfield NSW 2136 (Industrial)	Jan-2022	$145/sqm Net	13,251	Jan-2033	11 years	Booktopia
11 Lord Street, Botany NSW 2019 (Industrial)	Aug-2020	$235/sqm Net	2,910	Apr - 2025	5 years	Glassons Australia

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Sales Evidence

We have considered the summary of sales evidence included in the following table, which is most relevant to the fair value measurement detailed below:

Address	Sale Date	Sale Price	NLA sqm	Land Area sqm	Passing Yield	$/sqm of NLA
201 Miller Street, North Sydney NSW 2060	Dec-2021	$152,400,000	8,067	1,630	5.89%	$20,874
In comparison: Superior zoning and location, inferior building and land size. Considered superior.						
41 McLaren Street, North Sydney NSW 2060	Nov-2021	$80,000,000	8,450	2,359	3.16%	$9,467
In comparison: Superior zoning and location, inferior building and land size. Considered superior.						
815 Pacific Highway, Chatswood NSW 2067	Apr-2021	$56,000,000	6,756	1,657	N/A	$18,476
In comparison: Superior location, inferior building and land size. Considered inferior.						
1 McLachlan Avenue, Artarmon NSW 2064	Apr-2021	$18,550,000	3,295	4,527	4.29%	$5,630
In comparison: Inferior location, land and building size. Comparable zoning considered inferior.						
32 Walker Street, North Sydney NSW 2060	Jun-2021	$83,750,000	5,081	601	N/A	$16,483
In comparison: Superior location and zoning, inferior NLA and land area. Considered superior.						
68 Waterloo Road, Macquarie Park NSW 2113	Mar-2021	$106,700,000	13,486	14,800	4.90%	$7,912
In comparison: Inferior location and land size, superior zoning. Considered superior.						
75 Miller Street, North Sydney NSW 2060	Dec-2021	$65,500,000	4,930	784	5.06%	$13,286
In comparison: Superior location and zoning, inferior building and land size. Considered inferior.						

More recent comparable evidence for the subject property was unavailable as at the date the valuation was undertaken. The property is considered to have unique attributes in regard to the portions of the building and allotment, current mixed use and underlying development potential compared to recent available evidence within the immediate and surrounding location.

In determining the fair value, we have had to rely on a wide range of sales evidence with varying degrees of comparability to the subject property, which indicate a broad capital value range of $5,630 per square metre to $20,874 per square metre of net lettable area and total site area when land values are considered and passing yields of 3.16% to 5.89%.

Sales Evidence – Childcare Centres

We have considered the summary of childcare sales and leasing evidence included in the following table, which is most relevant to the fair value measurement detailed below:

53-55 Glenrowan Drive, Harrington Park NSW 2567	
Sale Date:	February 2021
Sale Price ($):	$3,105,000
Current Rental ($):	$144,258
Sales Yield (%):	4.64%
Approved Places:	56
Site Area (sqm):	1,358
Zoning:	R2 – Low Density Residential
Sales price per approved places:	$55,446
Current rental per place:	$2,576

In Comparison: High occupancy childcare centre located in the Southwest Sydney growth corridor; the centre is purpose built to occupy 56 places. The current 10-year lease expires in 2024 with an option to extend till 2039. Considered superior in number of places, inferior in location. Considered inferior on a rental per place basis.

318 Mona Vale Road, St Ives NSW 2075	
Sale Date:	November 2021
Sale Price ($):	$15,900,000
Current Rental ($):	$636,307
Sales Yield (%):	4.00%
Approved Places:	98
Site Area (sqm):	2,017
Zoning:	R2 – Low Density Residential
Sales price per approved places:	$162,245
Current rental per place:	$6,493

In Comparison: Recently constructed purpose-built childcare centre, licensed to hold 98 places. The centre was sold on a 15-year lease expiring in 2035 with an option to extend for a further 20 years. Superior location and size considered superior on a rental per place basis.

4 Kilby Street, Kellyville Ridge NSW 2155	
Sale Date:	December 2021
Sale Price ($):	$6,000,000
Current Rental ($):	$270,000
Sales Yield (%):	4.50%
Approved Places:	58
Site Area (sqm):	1,456
Zoning:	R2 - Low density residential zoning
Sales price per approved places:	$103,448
Current rental per place:	$4,655

In Comparison: An established childcare centre with a license to hold 58 places, located in a residential suburb in The Hills district. Currently on a 15-year lease expiring in 2036 with the option extension till 2056. Considered inferior in location, superior in approved places and lease terms. Considered comparable on a rental per place basis.

329 Hector Street, Bass Hill NSW 2197	
Sale Date:	October 2021
Sale Price ($):	$2,875,000
Current Rental ($):	$120,000
Sales Yield (%):	4.17%
Approved Places:	46
Site Area (sqm):	1,125
Zoning:	R2 – Low Density Residential
Sales price per approved places:	$62,500
Current rental per place:	$2,608

In Comparison: Established childcare centre in a residential precinct, sold with DA approval for a first-floor extension. Currently under lease with an option to extend under four 5-year options. Considered inferior in location, superior in approved places. Considered inferior overall on a rental per place basis.

Evidence detailed above shows recent childcare centres within Greater Sydney have been sold on yields ranging from 4.00% to 4.64% and on a per child basis, leased on $2,576 to $6,493 and sales $55,446 to $162,245 with the varying degrees reflective of centre amenities, facilities, location and quantum of enrolments.

Valuation Calculations

Valuation Overview

In arriving at our opinion of market value we have adopted the capitalisation of net income approach which has then been cross checked using the direct comparison approach where the value is analysed on a rate per square metre of Net Lettable Area (NLA).

Our valuation has been undertaken utilising the Jones Lang LaSalle proprietary valuation model.

In order to apportion the land and buildings assets, the land asset has been measured using the market approach and deducted from the capitalisation of net income value for the entire property. To assist in determining appropriate land value parameters for the Subject Property, we have investigated sales evidence of generally similar properties considered comparable in terms of location and other criteria and analysed on a rate per square metre of land area.

Valuation Criteria

After considering the sales evidence, market indicators and the level of investor sentiment for comparable commercial real estate and adjusting specifically for:

- The characteristics of the location.
- Quality of the improvements/building.
- Leasing covenants/security of income cash flow.
- Weighted remaining lease duration; and
- Expiry profile of tenancies.

We have adopted a core capitalisation rate of 5.50% on our adopted market rental profile in accordance with an assumed 10-year lease application for the capitalisation of income approach.

Capitalisation Approach

The capitalisation approach involves the addition of our opinion of market rent for the various components of the Property, and the deduction of outgoings (where appropriate) in order to determine the net market income of the Property. Building outgoings comprise the costs to effectively operate the subject premises and include, power charges, water rates, cleaning, air conditioning, municipal rates, security, building insurances, and other fees and charges. The net market income is capitalised at the adopted capitalisation rate to derive a core value.

A summary of the capitalisation approach is detailed overleaf:

[redacted]

Market Approach (Direct Comparison)

The income approach has been checked against by the direct comparison approach as secondary approach.

[redacted]

Asset Life & Fair Value Hierarchy Levels

Asset Life

The facility is considered to be in good condition and well maintained by SBS. We understand that annual repairs and maintenance are carried out on a routine basis to ensure the integrity of the built improvements is retained. Under AASB 116, the depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The Standard also defines useful life as:

(a) the period over which an asset is expected to be available for use by an entity; or

(b) the number of production or similar units expected to be obtained from the asset by an entity.

Further, the accounting standards require an entity to review their asset lives annually to ensure they are appropriate for each asset. The current useful life of the SBS facility is estimated to be 50 years with a remaining useful life of 21 years as at the reporting date.

Transfer Between Fair Value Hierarchy Levels

For assets or liabilities that are measured at fair value (or measurements based on fair value) at the end of each reporting period, their categorisation within the fair value hierarchy may change over time. This might be the case if the market for a particular asset or liability that was previously considered active (Level 1) becomes inactive (Level 2 or Level 3) or, if significant inputs used in a valuation technique that were previously unobservable (Level 3) become observable (Level 2) given transactions that were observed around the measurement date. Such changes in categorisation within the hierarchy are referred to in AASB 13 as transfers between levels within the fair value hierarchy.

An entity is required to select, and consistently apply, a policy for determining when transfers between levels of the fair value hierarchy are deemed to have occurred, that is, the timing of recognising transfers. This policy must be the same for transfers into and out of the levels. Examples of policies for determining the timing of transfers include:

- The date of the event or change in circumstances that caused the transfer,
- The beginning of the reporting period, or
- The end of the reporting period.

In addition, the selected timing (i.e., when transfers are deemed to have occurred) has a direct impact on the information an entity needs to collate in order to meet the disclosure requirements in AASB 13 specifically, those required by paragraphs 93(c) and 93(e)(iv)13, for both transfers between Levels 1 and 2 and transfers into and out of Level 3.

The fair value level inputs are table below with no changes made in level inputs for the year ending 30 June 2022:

[redacted]

Insurance Methodology

Background

The valuations have been undertaken on the basis of Reinstatement with New Value having regard to the standard Industrial Special Risk insurance policy wording together with the Australia and New Zealand Valuation Guidance Paper 104 – Valuations for Insurance Purposes. JLL has not sighted SBS's current certificate of currency (CoC) relating to their insurable risk.

Insurance Methodology

The methodology applied to arrive at the valuation is described as follows:

Reinstatement Cost

The insurance assessment has been undertaken on "Reinstatement Cost" with new as defined by the API:

"Where property is lost or destroyed, in the case of a building, the rebuilding thereof, or in the case of property other than a building, the replacement thereof by similar property in either case in a condition equal to, but not better or more extensive than its condition when new. Where property is damaged: the repair of the damage and restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than its condition when new.

This assessment allows for the reinstatement of the improvements on the basis of an estimated reinstatement cost excluding any allowance for discounts. Uncertainty regarding the ability to negotiate discounted purchasing contracts following a loss often leads to the insurer incurring the suppliers full pricing for assets on reinstatement. No allowance has been made for the potential impact of financing arrangements on the sum insured within our calculations, nor a deduction in respect to any outstanding amounts owing under any financing or lease agreements. All assets have been valued as wholly owned and free of all encumbrances".

We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant.

We have had regard to the following factors:

- Specific materials used in the building (e.g. mixture of stone, brick, plasterboard, glass etc.)
- Location factors (e.g. remote or rural sites v metropolitan)
- Design of building including soil type, special footings, etc.
- External dimensions of a building (some cost guides relate only to internal building measurements)
- All fees associated with reconstruction including architects, survey and engineering fees
- Cost increases/decreases between the date of issue of published cost guides and / or the date of construction contracts, and the date of valuation

In addition to the exclusions previously tabled in the 'Insurance Valuation Reporting Disclosures Exclusions' the assessment excludes the following:

- Items not specified or assessed as part of this valuation instruction.

- Town Planning costs and Building approval costs and requirements
- Costs in connection with statutory charges (other than National Construction Code Australia) varying the building as currently constructed including plot ratio variations and planning requirements.
- Any value applicable to the Land(s) on which the structural improvements are erected and applicable Legal costs
- Finance & Legal costs and holding charges such as rates, taxes and similar outgoings
- Costs associated with the investigation, removal and remediation of hazardous materials, waste or hydrocarbon contaminated soil
- Goods and Services Tax
- Legal and other professional fees associated in any way with the preparation, defence or administration of a claim or others claims.
- Delays caused by disputes or appellate processes including but not limited to the insurance claim, town planning, building approvals, and industrial disputes.
- Finance costs
- The cost of alternative accommodation during the lead up and construction period.
- Assets in the process of construction, alteration or addition
- Reconstruction with other than conventional materials and contemporary methods unless disclosed
- Detailed measure of elemental trade quantities and items
- Detailed measure of structural, architectural and services elements
- Non-integral plant, machinery, tools, furniture and fittings
- Tenancy fit out not considered commensurate with the function and use of the building structure as an educational facility asset.
- Computer software
- Stock or inventory
- Goodwill and intellectual property
- Personal and staff effects
- Cost of replacing mature and significant plants and trees
- Escalated labour and material costs in the event of a catastrophe
- Salvage value
- Fiduciary Interests

Extra Cost of Reinstatement

For the purpose of this report the extra cost of reinstatement is included in the reinstatement with new value. The extra cost of reinstatement is the extra cost necessary to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority.
Extra cost does not include the cost of complying with any planning or zoning requirements. The code is subject to change and is interpreted differently by different authorities so it is not possible to precisely estimate this allowance.

Professional Fees

For the purpose of this report professional fees are included in the reinstatement with new value. Where appropriate, they may include architects', surveyors', consulting engineers', legal and other fees and clerks of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement consequent upon damage to property hereby insured. Other related fees for property, plant and equipment asset may include asset architecture costs (system planning), planning & implementation costs and management costs.

Demolition and Removal of Debris

The removal, storage and/or disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs consequent upon damage to property. This excludes an allowance for the removal of hazardous materials including that part of the insured property that has been contaminated by the hazardous materials. Furthermore, no allowances have been made for the cost of removal of assets that JLL have not been instructed to value and any foreign objects or debris that caused or were associated with the insurance loss.

Limit of Liability

The limit of liability for each asset is the maximum amount that will be paid out for any one claim and includes:

- Reinstatement Cost including professional fees and extra cost of reinstatement;
- Demolition and Removal of Debris;
- Estimated lead time to commencement of building; and
- Estimated time to rebuild.

The cost escalation for the Estimated Lead Time to Commencement of Re-building/procurement period has been considered for each asset. It allows for the possibility that a loss could occur on the last day of the policy period (i.e. 12 months). It also includes allowances for demolition, planning, design and obtaining rebuilding/replacing approvals. Allowances have not been made for abnormal delays.

The cost escalation for the Estimated Reinstatement period has been assessed for each asset having regard to the time it will take to replace a similar asset. The period includes preparation for commencement to completion and handover of the new asset. Allowances have not been made for abnormal delays including industrial disputes.

The values assessed do not allow for cost escalation due to a catastrophic event causing a general or localised surge in demand for new assets or rebuilding/repairs e.g. cyclone, flooding or fire.

All inflationary provisions are future projections, based on recent trends and are given without prejudice. Inflation and in particular, foreign exchange rate fluctuations affecting imported assets, are notoriously difficult to predict and the valuer cannot be responsible for any inaccuracy.

s47E [redacted]

Project Valuers

The following JLL Valuation Advisory personnel were directly involved in the preparation of this valuation report:

Valuation Role	s47F [redacted]	Physical Inspection	Task
Primary Valuer		No	Authoring the report, forecasting, analysis, assessment of value.
Supervising Member Counter signatory		No	Reviewed the draft Valuation Report and working papers only
Quality Assurance Review		No	Verifying having reviewed the valuation for Quality Assurance and that the report is genuine and endorsed by JLL.

s47F [redacted]

Valuation

Fair Value Valuation Summary

The following table summarizes the results of the valuation at fair value as at 30 June 2022.

Asset Class	Fair Value Hierarchy	Total Fair Value ($)
Land	Level 3	50,000,000
Buildings	Level 3	38,000,000
Total		**88,000,000**

Conclusion

Finally, and in accordance with our normal practice, we confirm that this report is confidential to the Special Broadcasting Services (SBS) for financial reporting purposes as at 30 June 2022. No responsibility is accepted to any third party and neither the whole of the report or any part or reference thereto may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

We thank you for this opportunity to undertake the valuation of your non-current assets for financial reporting purposes and trust this report addresses all of your valuation requirements. Should you have any queries please do not hesitate to contact JLL.

For and on behalf of

JLL Public Sector Valuations Pty Ltd	
[redacted]	
Date of Issuance:	31 May 2022

The opinion of value expressed in this report is that of the Primary Valuer who undertook the valuation and who is the primary signatory on the report. That Valuer is [redacted].

The Quality Assurance Reviewer, [redacted] has reviewed the valuation for quality assurance and acknowledge that the report is genuine and endorsed by JLL. However, the Quality Assurance Reviewer has not inspected the Property nor undertaken any role in the preparation of the valuation, and in that case is not providing any professional opinion in relation to the valuation.

It is essential that before the addressee relies on this valuation, they read the report in its entirety, including any Annexures. Should the addressee be or become aware of any issue or issues that cast doubt on or are in conflict with the conditions, qualifications or assumptions contained within this report, they must notify JLL in writing so that any conflicts may be considered and if appropriate, an amended report issued.

Liability limited by a scheme approved under Professional Standards Legislation.

JLL

s47F [redacted]
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