

W.P.V
WALL PROPERTY VALUATIONS

Established 1992
 Residential Specialists - Greater Brisbane Region

RESIDENTIAL VALUATION AND ASSESSMENT

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| Instructed By: [Name] | Attention: [Name] |
| Instructions & Purpose: Current Market Value for Intending Sale Purposes. | Email: jane@happyland.com.au |
| Addressed to: [Name] | Mail to: 1 Sunshine St., Sunnyview QLD 7878 |

1. PROPERTY SUMMARY – Dwelling

PROPERTY ADDRESS: 1 Sunshine St., Sunnyview QLD 7878
TITLE DETAILS: Lot 00 on RP 000000 Parish: Brisbane
Encumbrances/Restrictions: None obvious. A title search has not been conducted and our valuation assumed clear title. Please notify valuer if your searches reveal otherwise.

| | |
|--|--|
| PROPRIETOR: [name] and [name] (RP DATA) | SITE AREA: 668 sq.m. |
| ZONING: Low Density Residential | LGA: Brisbane City Council |
| MAIN BUILDING: Dwelling | Current Use: Single Residential |
| AGE: Approximately 30 years old | |
| AREAS: Living: Upstairs – 123 m ² Underneath – 148 m ² | Patio: 35 m ² |
| CAR ACCOMMODATION: Double carport | Car Areas: 34 m ² |
| MARKETABILITY: Average | QUALITY: Average |
| ENVIRONMENTAL ISSUES: None apparent | Heritage Issues: None known |
| ESSENTIAL REPAIRS: None apparent | |

2. RISK ANALYSIS – Refer Annexure 1

| Property Risk Ratings | 1 | 2 | 3 | 4 | 5 | Market Risk Ratings | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|-------------------------------|---|---|---|---|---|
| Location & Neighbourhood: | | 2 | | | | Reduced Value next 2-3 years: | | | | 3 | |
| Land (incl. Planning, title): | | 2 | | | | Market Volatility: | | | 3 | | |
| Environmental Issues: | | 2 | | | | Local Economy Impact | | 2 | | | |
| Improvements: | | 2 | | | | Market Segment Conditions: | | 2 | | | |
| * Risk Ratings: 1 = Low, 2 = Low to Medium, 3 = Medium, 4 = Medium to High, 5 = High | | | | | | | | | | | |

3. VALUATION & ASSESSMENTS SUMMARY

Interest Valued: Fee Simple Vacant Possession Residential Dwelling.
Value Component Existing Property

Valuation Amount \$000,000 * (*As determined by Direct Comparison Method)
 (hundred and thousand dollars)

Notionally Apportioned as

| | |
|--------------|-----------|
| Land | \$000,000 |
| Improvements | \$000,000 |

Rec. Documents to Sight: Title Search

I hereby certify that I personally inspected this property on the date below and have carried out the assessments above as at that date. Neither I, nor any member of this firm, has any conflict of interest, or direct, or indirect or financial interest in relation to this property that is not disclosed herein. This valuation is not intended for the purposes of any person involved in the making of any Solicitor Loan or any loan. This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. This report is for the use only of the party to which it is addressed and is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. This report does not constitute a structural survey.

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| Valuer: Tony Wall | Firm: Wall Property Valuations |
| Qualifications/Reg.#: AAPI Qld Reg No 1648 | Address: PO Box 214 Clayfield Q 4011 |
| Inspection & Valuation Date 1 st June 2009 | Phone: 07 3268 5716 Fax: 07 3868 3012 |
| Signature | Email: admin@wallpropertyvaluations.com.au |

Valuer's File Reference B000000

4. THE LAND

ZONING EFFECT: House is a Permitted use.

LOCATION & NEIGHBOURHOOD: This is an established residential area with reasonable quality homes surrounding and school to the rear. The property is approximately 10 kilometres radially north of the Brisbane G.P.O.
Local shops within 1 km Transport- Bus: 300 m

SITE DESCRIPTION & TOPOGRAPHY: This is a regular shaped, inside allotment providing a reasonable building block, at about road level with a gentle cross fall and adequate local drainage for the locality. It has a northerly aspect with a local outlook and elevated outlook to the north-east.

ENVIRONMENTAL HAZARDS: (Flooding or other problems): None obvious
Not believed to be flood affected.

SERVICES: Electricity, water, gas, sewerage and telephone.

ROADWAY: Bitumen sealed with concrete kerbing and channelling.

5. MAIN BUILDING

Style & street appeal: Detached dwelling

Main Walls: Brick

Roof: Metal sheeting

Main Interior Linings: Fibro

Flooring: Upstairs is timber
Underneath is concrete

Internal condition: Average

External Condition: Average

Internal paintwork: Average

External paintwork: Average

Accommodation: Upstairs comprises 4 bedrooms, main with ensuite, bathroom, toilet, kitchen, lounge, dining, front, rear and side patio.
Downstairs comprises study, toilet, entry, family, utility area, rumpus converted from garage.

Interior Layout: Functional

PC Fixtures: Kitchen – Double bowl stainless steel sink, laminate floor and wall cupboards, gas upright stove, rangehood, walk in pantry, dishwasher.

Bathroom – Bath tub, separate shower with tiled surrounds and screen, vanity basin, separate toilet, exhaust fan, drying lights.

Ensuite – Shower with tiled surrounds and screen, vanity basin, exhaust fan, drying lights.

Laundry – Single bowl stainless steel tub, automatic washing machine connections, gas hot water system.

Extras: Floor coverings are polished timber and ceramic tile; Built in robes to three bedrooms; Telephone; Linen cupboard; Insect screens; Security screens to part.

Any adverse features: Refer Comment.

6. ANCILLARY IMPROVEMENTS:

Fencing is timber, metal sheeting and ARC; Clothes line; Car drive is concrete; Paths are concrete and pavers; Double garage; Garden edging comprises pavers; Rock retaining walls; Double garage; Pool. All ancillary improvements appear in fair to average condition.

7. ADDITIONAL COMMENTS

Above average quality dwelling offering an above average standard of accommodation, comparable to superior to the majority of surrounding development.

The property comprises a large, modern, high-set home with 4 large bedrooms, study, 2 ½ bathrooms, formal and informal living areas, attached double garage and patios.

Overall presentation is average and the home is well appointed.

This current market valuation is determined by the most appropriate Direct Comparison Method, with due regard for available sales data.

The current market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

Based upon the Direct Comparison Method, the sales indicate a current valuation of \$000,000, which I notionally apportion as Land \$000,000 and Improvements \$000,000.

Recent Market Direction: From January 2007 to September 2007, the market was rising with bias favouring vendors. Strong demand and limited supply continued placing upward pressure on prices. From October 2007 to early 2008 demand was still in excess of supply, with competitive market conditions resulting in bias continuing to favour vendors especially at the 'entry levels' of the markets. Moderating demand in the remaining market saw bias closer to neutral, but remained as favouring vendors as supply was still relatively tight. From mid March 2008, the easing in Market Activity, saw a cooling effect in pricing. This cooling effect and easing in prices was most apparent from September 2008 up to Christmas 2008. That scenario was unusual compared to the historical perspective of the past 20 years which shows a tendency for prices in Brisbane to 'flatten-out' for extended periods rather than falling, leading up to substantial and rapid price rises in booms, (when taken over time this scenario reflects a 'rising graph' of prices when plotted through the peaks). Clarity as to the market direction from September 2008 to January 2009 was hinging on the reactions to the ongoing unravelling 'Global Financial Crisis', and response to unprecedented actions being initiated by Central Banks, Governments and Markets throughout world economies, balanced to the micro-market of the Greater Brisbane Region with the stimuli of ongoing major public infrastructure spending programs and continued population increases.

From late January 2009 to July 2009, the sub \$500,000 bracket was relatively buoyant, while above this was weak. "Willing buyer/willing seller" sale scenarios were experiencing a lengthening selling period compared to 2007 (or a return to a normalised/traditional time frame) whilst "Forced Sale situations" offered most downside risk to price. A reduction in actual sales volumes accentuated these scenarios.

Up until July 2009, in spite of low interest rates, a latent albeit tentative buyer base, low vacancies and a strongly contested rental market, an environment for downside pressure on prices existed. The sub \$500,000 bracket was stimulated by the Government First Home Buyers Grant which was published to expire June 2009. The 2009 – 2010 Federal Budget confirmed the First Home Buyers' grant boost was extended until September 2009 and before then being halved between October and end of December 2009 before returning to \$7000. Generally, there was expectations of rising unemployment plus a lack of business and consumer confidence.

From August 2009, dynamics within the residential real estate market turned more positive. Increased levels of market activity (i.e strong demand), reducing supply and increased buyer competition saw some upward pressure applied to prices. From August 2009 there is improved optimism in general within the economy, based on further signs of global and domestic economic recovery.

Continued over page...

7. ADDITIONAL COMMENTS (CONT)

Level of Market Activity: From January 2007 to September 2007 there were buoyant conditions with strong demand. From October 2007 to January 2008 demand was still in excess of supply especially at 'entry levels' of the market, albeit it was easing somewhat from mid February 2008 for those sections of the market above 'entry level'. After the second interest rate rise in March 2008, generally there has been a cooling effect in the market, across all price sectors. Demand decreased and in turn, competitive pressure amongst buyers eased. Supply began increasing. Selling periods were extending. Activity slowed as there was a gap between expectations of buyers and sellers. From early September 2008 there initially was an increase in activity as pent up demand that had been waiting for an interest rate cut plus changes to Stamp Duty assessment thresholds materialised. From Mid September 2008, activity slowed again as a result of a loss of confidence and uncertainty, relating to the ongoing unravelling of the Global Financial Crisis becoming more apparent. The Global Financial Crisis resulting in an increased Cost of Funds and reduced liquidity, has seen unprecedented moves from October 2008 with the US Federal Reserve approving the 'bail out package' and subsequently reducing interest rates to between 0-0.25%; European Union countries dropping interest rate in unison and the Australian Reserve Bank slashing interest rates by 1% plus further 0.75% on the 4th November 2008, 1% on 3rd December 2008 and 1% on 3rd February 2009.

Extensive journalist (and "churnalistic") coverage of deteriorating economic conditions in many developed economies around the world and slowing economic conditions of the previously booming 'developing economies'; coupled with well publicised declines in other asset classes (shares particularly through the last quarter of 2008, to March 2009) and uncertainly pertaining to the prospects of Australia maintaining positive economic growth rates unsettled market participants. This was in spite of falling interest rates in many economies including Australia; extensive economic stimulus packages being initiated in major economies (EU, Britain and USA announced in the last week of November 2008); The US confirming their \$787 billion stimulus package/ 'Recovery Act' 18th February 2009; The Australian Federal Government commitment to stimulating the economy to maintain positive momentum with \$10.4 billion stimulus package in December 2008; the proposed \$42 billion stimulus package approved by the Senate 13th February 2009; the 2009 – 2010 Federal Budget released 12th May 2009 indicating \$22 billion to be spent on infrastructure; and the micro outlook of the 'Greater Brisbane Region' seeming comparatively well placed.

In October 2008 buyers were cautious, activity slow and the market favoured buyers. From November/December 2008 and to January 2009, activity generally continued to be slow. A lack of confidence persisted. From February 2009 there was an increase in market activity compared to the fourth quarter of 2008 (particularly in the affordable and first home buyer price categories as stimulated by the Government's First Home Buyers Grants and low interest rates), and this sustained through to July/ August 2009.

Buyer intensity levels increased noticeably through the last 3 weeks of August 2009. There was strong demand and reducing supply levels through this period and this continued through into September and October 2009. In some instances, agents were reporting multiple offers on listed properties. These increased activity levels were being felt through most price brackets i.e. from entry to upper levels.

There were two challenges to maintaining these increased activity levels post October 2009. Namely, the boost to the First Home Buyers Grant was halved from October 2009 to the end of December 2009, before it returns to \$7,000, and the Reserve Bank of Australia Board decision to continue to raise the cash rate. The Reserve Bank of Australia (RBA) acknowledged, in late 2008 and early 2009, the cash rate was lowered quickly, to a very low level, in expectation of very weak economic conditions and a recognition that considerable downside risks existed. The RBA's view in October 2009 is that the basis for such a low interest rate setting has now passed. As at December 2009 the RBA believe the risk of serious economic contraction in Australia had passed. The RBA anticipates growth likely to be close to trend over the year ahead, and inflation close to target. Adding in December 2009 that the downturn in Australia was relatively mild, and measures of confidence and business conditions suggesting the economy is in a gradual recovery. The RBA predicts that overall, growth through 2010 looks likely to be close to trend, and they note unemployment peaked at much lower levels than expected.

Business borrowing was declining (deleveraging) through 2009 albeit this is moderating in 2010. Credit for housing is expanding and share markets have recovered significant ground.

The RBA states in April 2010 the global economy is growing, and world GDP is expected to rise at close to trend pace in 2010 and 2011. The expansion is still hesitant in the major countries, due to the continuing legacy of the financial crisis. In Asia, where financial sectors are not impaired, growth has continued to be quite strong. Global financial markets are functioning much better than they were a year ago.

As at October 2009, the RBA was the first and only central bank of any advanced economy to lift interest rates. Subsequently, it has now made five consecutive increases. Interestingly, at the RBA meeting 2nd February 2010, rates were left unchanged. The RBA have recently raised cash rates by 25 basis points to 4.25%, effective 7th April 2010, stating the risk of serious economic contraction in Australia had passed sometime ago and they were moving to lessen the degree of monetary stimulus. Generally, confidence in real estate markets continues. Levels of activity have generally continued, albeit the interest rate rises have had a moderating effect.

Two or multi-tier market? A possibility / Please refer comment / Doesn't appear to be / N/A / Yes / No

Are the Existing buildings within the boundaries?: While the subject property appears to be within the required boundaries, this report does not purport to be a site or structural survey of land and improvements thereon, and should not be relied upon as such

8. SALES EVIDENCE

| Address | Sale Date | Price | Brief Comments | |
|---|------------------|-----------------------------------|---|------------------------------|
| 1 Blue St., Sunnyview | 1.12.08 | \$000,000 | 793 sq.m. site improved with an estimated 30 year old, high-set dwelling with metal sheeting roof. It has 2 bedroom upstairs, both with ensuite, study, lounge and renovated kitchen. Downstairs it has 3 bedrooms, separate shower and toilet plus rumpus. It also has a detached shed. Full height under. | Superior comparison overall. |
| 1 Yellow St., Sunnyview | 15.11.08 | \$000,000 | 650 sq.m. site improved with an estimated 35 year old, high-set, hardiplank and colorbond dwelling developed under for additional living. It has a total of 4 bedrooms, 2 bathrooms. It also has a rear deck and double carport to the front. | Inferior comparison overall. |
| 1 Pink St., Sunnyview | 18.10.08 | \$000,000 | 809 sq.m. site improved with an estimated 30 year old, high-set, brick dwelling with a tile roof. It has 3 bedrooms, 1 bathroom, plus utility under. It has external stairs and an attached lock up carport. Neat and well presented. It also has a pool. | Inferior. |
| 1 Orange St., Sunnyview | 5.12.08 | \$000,000 | 769 sq.m. site improved with an estimated 30 year old, high-set, brick dwelling with a tile roof. It has 105 sq.m. of living upstairs for 3 bedrooms, single bathroom and 60 sq.m. of patios. It also has 101 sq.m. downstairs for study, rumpus, laundry, entry, internal stairs and a double garage. | Inferior. |
| 1 Purple St., Sunnyview | 11.11.08 | \$000,000 | 723 sq.m. site improved with an estimated 30 year old, high-set, brick dwelling. It has 3 bedrooms, 1 bathroom and utility under. It also has a rear deck. The kitchen and bathroom have been renovated. | Inferior comparison overall. |
| Recent sale of subject property: | | 01.01.1970 for \$28,000 | | |
| Earlier* sale of subject property: | | Nil previous sale recorded | | |

PHOTOGRAPH(S)

Annexure 1

Risk Analysis Explained...

The risk analysis in this report format is the valuers assessment of the impact on the property of a number of specified factors presented in a numerical / graphical format.

This is a simplified analysis based on the current experience of the valuer and is not a technical analysis. The client cannot expect that the valuer brings to the task any greater level of common knowledge or ability to foresee events than can be expected of persons experienced in the market for that class of property in its market place (which may be local or broader). The risk analysis is the product of the current experience of the valuer based on information that is common knowledge and / or readily ascertainable in the market for that class of property in its market place. The risk analysis does not reflect information that is privileged or to which the market for that class of property in its market place does not have ready access and it does not reflect decisions, announcements, releases, articles and the like that the valuer has not had reasonable time and opportunity to assess and consider. Subject to these limitations, the Risk Analysis indicates the level of adverse impact each stated aspect has, or in the near future, might have on the property's value and marketability.

| Item | Requirements |
|--|---|
| ...Risk Ratings | Risk Ratings focus on four property-specific aspects and four market-related aspects. Each of these aspects can involve consideration of a range of elements relative to it. |
| ...level of adverse impact or risk | It is accepted that each aspect is likely to have some possibility of adverse impact or risk, however low or nominal. The assessment of the level of adverse impact or risk includes assessment of both the probability and consequence of the risk. A Risk Rating of 1 equals normal or no influencing factors and risk factors elevate from that point. |
| ...the risk ratings | <p>The ratings which are outlined below the bar graphs are:</p> <ul style="list-style-type: none"> 1 – Low 2 – Low to Medium 3 – Medium 4 – Medium to High 5 – High <p>Any Risk Ratings of 4 or 5 or the existence of three or more '3' Risk Ratings are commented upon in the 'Additional Comments' section.</p> <p>For the purpose of these reports, the risk rating reflects the valuers assessment of:</p> <ul style="list-style-type: none"> ▪ The level of adverse impact the stated aspect has upon the current value and / or marketability of the property, and / or ▪ The currently perceived level of adverse impact the stated aspect could have on the value or marketability of the property within the initial 2-3 year period. |
| ...adverse and favourable impacts offset | The rating adopted for each of the listed aspects requires a balanced overview for that aspect. Properties often have many beneficial features. Adverse impacts need to be weighed against strengths or favourable impacts under the same aspect. |
| ...cumulative impacts | While there can be offsets in the overall rating for an aspect heading such as the above, there may also be cumulative effects from several adverse impacts. |

Annexure 1 (Cont'd)

| | |
|--|--|
| ...common knowledge and reasonably foreseeable events | The basis of any 'forward-looking' element of a rating is restricted to information that is currently common knowledge and/or readily ascertainable in the market and to events that are reasonably foreseeable. Information which is 'privileged' in the valuer's hands or to which the market itself does not have ready access cannot be reflected in the rating. |
| ...elements | The elements of the Risk Analysis are: |
| Property Risk Ratings Location & Neighbourhood | This Risk Rating reflects an overall rating for these two aspects. |
| Land (incl. Planning, title) | Land in this instance refers not only to the land physically, but also to access, services, planning and title. |
| Environmental Issues | This aspect of the Risk Analysis covers a range of environmental issues including contamination (refer Environmental Issues heading above) |
| Improvements | This aspect refers to all improvements, whether the main building or ancillary improvements (and for a To Be Erected – Proposed Extensions or Renovations, would include concerns about aspects of the project or tender). |
| Market Risk Ratings Reduced Value next 2-3 years | This Risk Rating is an indication of the level of risk of this property reducing in value over the next 2-3 years. It is a forward-looking summary rating taking into account aspects affecting, or likely to affect, the value of the property. The assessment is made on the basis of information that is common knowledge and / or readily ascertainable in the market and having regard to reasonably foreseeable events as at the date of the assessment. The rating cannot be expected to reflect information that was not common knowledge, or conditions, events or circumstances that occur subsequently or unexpectedly. |
| Market Volatility | This aspect reflects the risk of significant adverse impact on the value of the property of the market changing direction rapidly. While this will reflect historical performance, reasonably foreseeable events should also be taken into account. |
| Local Economy Impact | This aspect reflects the extent to which a significant change in the local economy is impacting adversely and / or the risk that it may impact adversely on the property in the 2-3 year time frame. |
| Market Segment Conditions | This aspect reflects the extent to which the condition of the market in this particular market segment is impacting or may impact adversely on the property. |